WEEKLY ECONOMIC REVIEW

February 8, 2008

Alberta's labour market remained tight in January. Employment advanced by 6,100 and the unemployment rate held steady at 3.2%. In the past few months, growth in Alberta's working age population has slowed, putting downward pressure on the unemployment rate. The tight job market also lifted Alberta's hourly wage rate in January by 7.8% from a year ago.

Employment in Canada increased by a stronger-than-expected 46,400 from the previous month. The unemployment rate fell to 5.8% matching the 33-year low in October 2007.

In January, Alberta's annualized housing starts (seasonally adjusted) rebounded to 41,700 units, up 10% from the previous month. Nevertheless, housing starts were down 22.6% from a year ago. Almost all major centres in the province experienced marked declines in housing starts. In the Calgary area, housing starts were down 11.1% pulled by a sharp decrease in single-detached (-40%). In Edmonton, on the other hand, the strong growth in multiple starts (+92.2%) has more than offset the decline in single dwellings (-65.8%), resulting in an overall increase of 4.3%. Canadian housing starts were also down 14% from last year.

The value of Alberta's building permits reached a record high of $15.6 billion in 2007, up 12.5% from 2006. Both the residential and non-residential sectors experienced robust construction activity last year, with the latter sector propelled by commercial projects (+32.3%). Nationally, building permits were up 12% in 2007.

The Institute for Supply Management's non-manufacturing index plummeted to 41.9 in January from 54.4 in the prior month. The decline marked the steepest contraction in the index since the 2001 recession.

After slipping to US $86/barrel this week, oil prices recovered somewhat on news of supply disruptions in the North Sea and Nigeria and prospect of colder weather in the U.S. The recovery in oil prices and a colder winter also boosted natural gas prices to $8.35/GJ.

↓ **Cdn Dollar (US¢/CS)**

February 8, 2008	100.1
February 1, 2008	100.6
2007-08 YTD	96.6

↓ **WTI Oil US$/bbl**

February 7, 2008	$ 88.11
January 31, 2008	$ 91.75
2007-08 YTD	$ 78.78

↑ **Nymex Natural Gas CS/MMBtu ***
March Contract

February 8, 2008	$ 8.35
February 1, 2008	$ 7.93

*Estimate based on Nymex Futures Market Price

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Employment (000s)[2]	**January**			
Alberta	2,000	3.5%	0.3%	--
Canada	17,059	2.0%	0.3%	--
Housing Starts (000s)[2,3]	**January**			
Alberta	41.7	10.0%	-22.6%	--
Canada	222.7	20.6%	-14.0%	--
Building Permits ($ million)	**December**			
Alberta	1,103	-8.4%	-14.1%	12.5%
Canada	6,056	0.4%	6.8%	12.0%

Source: Statistics Canada. [1]Year-to-date 2008 compared to the same period in 2007 [2] Seasonally adjusted [3]Annualized rate